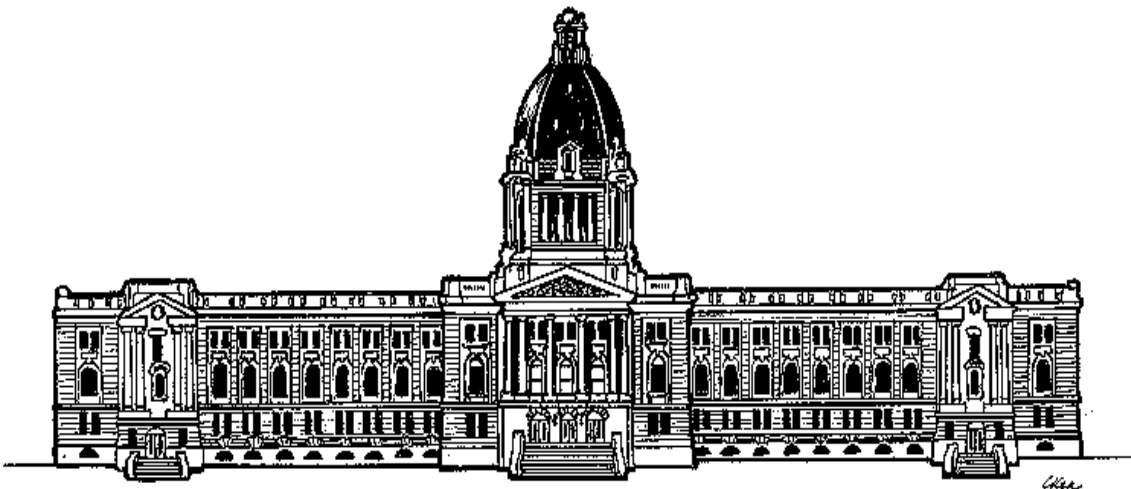# STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES
2007

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Regina Walsh Acres

Mr. Dan D'Autremont, Deputy Chair
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Weyburn-Big Muddy

Ms. Donna Harpauer
Humboldt

Hon. Warren McCall
Regina Elphinstone-Centre

Hon. Mark Wartman
Regina Qu'Appelle Valley

[The committee met at 15:00.]

The Chair: — Good afternoon, everyone, and welcome to this session of Crown and Central Agencies Committee meeting. With us this afternoon from the opposition we have Mr. D'Autremont, Mr. Duncan, and Ms. Harpauer. And from the government side we have Minister Addley and Minister McCall and Minister Wartman.

Before we start off with the committee considerations we have a number of documents that we are going to table today — and that's just an understatement, yes.

So to this afternoon we've got consideration of estimates for Information Technology Office. The minister responsible is Minister Andrew Thomson. And perhaps you would like to introduce your officials at this time.

General Revenue Fund
Information Technology Office
Vote 74

Subvote (IT01)

Hon. Mr. Thomson: — Thank you very much, Madam Chair. I'm joined today by Don Wincherauk, who is the deputy minister and the chief information and services officer. Seated to my right is the executive director of corporate and customer services, Fred Antunes. Seated next to him is Richard Murray, the executive director of policy and planning. Seated directly behind us is Rory Norton, who is the assistant deputy minister, corporate information services; and Carla Feld, who is the director of business development and the chief financial officer.

The Chair: — Thank you very much. Did you have any opening remarks that you wanted to make today, Mr. Minister?

Hon. Mr. Thomson: — I don't at this time, Madam Chair.

The Chair: — Okay. Thank you very much. Then that takes us to Information Technology Office, vote 74, found on page 103 any questions? Mr. D'Autremont.

Mr. D'Autremont: — Thank you. I'd like to welcome the minister and his officials here today. Office of Information Technology Office is one of the new departments that government has formed. And I believe the initial description of what this office would do would be to coordinate the information technology of government, to gather the expertise more or less into one place, to centralize operations, and to provide savings to government by having centralized and standardized equipment and programs for government.

So I'm wondering, with that in place — I believe you have all but one or two of the departments that are now utilizing ITO [Information Technology Office] for their technology services — what kind of savings have been made within government? And where have those savings been made in the sense of which departments have made how much savings, and has any of that savings related back to ITO?

Hon. Mr. Thomson: — Madam Chair, I'm advised that the

review that we've undertaken on the 11 IT [information technology] organizations, taking a look at their spend over the last five years compared to now, that there is a saving of approximately $5 million. This is about a 9 per cent reduction in overall spending on the 5-year average. And as a result a cost per user will be 7.5 per cent lower than the 5-year average.

The question the member asks about where the savings return to, they do not — unfortunately I would say as the Minister of Information Technology — do not stay in the ITO, rather they return to the originating departments.

Mr. D'Autremont: — Well thank you, Mr. Minister. So $5 million savings over — what is that now? — three years, three to four years since the operation of ITO first started? It was somewhere in that 2003 year, was it not, when ITO started?

Hon. Mr. Thomson: — That would be an annual savings on that five-year average.

Mr. D'Autremont: — Thank you, Mr. Minister. I notice that . . . And I know that when you're buying ITO, when you're buying technology equipment, when you're buying software packages, those are generally relatively high-cost items especially if you're buying for an enterprise like governments where you're purchasing large amounts of equipment. Within ITO itself, when you purchase equipment is that equipment allocated to the department? Does the department buy that equipment and therefore the savings accrue to the department? Or does ITO provide that equipment for use by the departments?

Hon. Mr. Thomson: — Can I ask that Mr. Antunes answer the question?

Mr. Antunes: — Yes. So the departments pay for the majority of the equipment. We have a capital subvote appropriations so anything over $250,000 we would buy and then they would pay the amortization costs. But any of the other equipment that we're using for IT service delivery the departments pay the costs.

Mr. D'Autremont: — So the department would pay for centralized servers. And the warehousing of those, and the security and servicing of those, that would be dealt with by ITO. But the equipment that would be utilized, let's say in the Department of Education, would be paid for by the Department of Education and ITO would just provide services to them?

Mr. Antunes: — That's correct. They would pay a . . . If there's something that's being used by more than one department they would pay a portion of that cost and the costs would get apportioned to the departments that are benefiting from that equipment. But the departments would pay for those costs.

Mr. D'Autremont: — When the departments are . . . When ITO is providing the service to the departments, does ITO then get compensated by the department for going in and providing services to them sort of on a contractual basis? So if you send a service person in to service or to set up a network for the Department of Education, how is ITO compensated for that or

is ITO compensated for that?

Mr. Antunes: — Yes, we're compensated on a cost-recovery basis so if it takes somebody two hours to go in and set that up then they would pay the two-hour cost of whatever, of that labour.

Mr. D'Autremont: — So is that paid to ITO such that ITO now has revenue or is that paid to the Consolidated Fund or to some other entity?

Mr. Antunes: — Yes, I guess the term is I guess it's an internal recovery so the departments have the money in their budget. We incur the cost and then there is a recovery back to us so that at the end it nets out to our budget as being a zero cost. So we had an expense. We got revenue or recovery back so there is no actual cost to the ITO.

Mr. D'Autremont: — So those transactions then, are they recorded in the budget books as an in and out transfer?

Mr. Antunes: — Yes, they are.

Hon. Mr. Thomson: — I think it's, it is probably most akin to the situation that we would be more familiar with, with SPM [Saskatchewan Property Management] and the way that we handle transactions with that agency. It's essentially the same, same approach.

Mr. D'Autremont: — Well if it's recorded in the budget books, I wonder if you could point it out to me please.

Hon. Mr. Thomson: — It's on page 105, vote 74 (IT04).

Mr. D'Autremont: — So that would be inter-departmental services: salaries, 14 million; supplies, 30 million; amortization and recovery internal?

Hon. Mr. Thomson: — That's correct.

Mr. D'Autremont: — Okay, thank you. Excuse me, I have a cold. One of the issues that has come forward relatively . . . And we talked about this the last time ITO was up on the previous supplementary budget here with the Wi-Fi [wireless fidelity]. Since that time there has been some issues raised in the newspaper from companies, particularly in the Saskatoon area more so than in Regina, about the opportunity for the private deliverers of Wi-Fi and Internet services to have an opportunity to access and to provide those services to the public rather than being provided through SaskTel, at least giving them the opportunity to tender on those — that supply — and to have a participation in the Wi-Fi delivery.

I know the minister said last time that he was in a rush to get it out so he went to SaskTel. Is the Wi-Fi up and running yet in all those locations?

Hon. Mr. Thomson: — It is not yet operational. We have undertaken site reviews now in Saskatoon, . . . [inaudible interjection] . . . Oh, and all four cities have had the site review done. I want to just say with respect to this, the decision to use SaskTel was not based on the timing issue; it was based on a public policy decision we'd made some time ago in undertaking

CommunityNet. CommunityNet is a public policy initiative really aimed at expanding the amount of broadband available to Saskatchewan citizens.

A model that we have undertaken is different then that of many other jurisdictions in that we have opted for an anchor tenant model. Namely we have picked one supplier of the service, and we provide the main revenue to use to build out the initial piece of the broadband.

This has been — for many years now since we undertook the policy initially — an issue of debate within the IT community as to whether that was the best way to go, or whether we should've gone with a multi-vendor approach. I maintain again with this phase of CommunityNet, just as we have with the others, that this has been a more cost-effective way for us to undertake it. Understanding that for those who feel that it provides SaskTel with a competitive advantage, it is an issue with some members of the . . . some individuals and companies in the IT sector.

But the issue of timing had less to do with this than the major question around the public policy decisions attached to CommunityNet and as such this version of it, CommunityNet III as we call it internally — Saskatchewan! Connected as it's branded as — really is an extension of our previous two initiatives.

Mr. D'Autremont: — Thank you, Mr. Minister. I think there's a difference though between what you're referring to as CommunityNet III or the Wi-Fi service, and what was happening with phases 1 and 2. In most cases phases 1 and 2 there — at the time that they came out — there was extremely limited access to high-speed Internet across the province. Whereas with the Wi-Fi application in the four major cities, there was already private carriers that could provide that service, and may have already been providing that service in some of those locations because there was individual entities such as hotels or coffee shops that were providing that to a certain extent.

I think there was an opportunity there for to help grow the private sector in the IT technology area by utilizing some of their services through a tender system. If they came in higher that's, I mean, that's a fact of life and you don't get the contract if that's the case. But I think it would've been worthwhile for ITO office to have tendered out the service delivery of that, public policy remaining the same. It was just a matter of which client you paid the subsidy to basically, in either SaskTel or a separate provider that was already or could already have provided that service. And I think that's what . . . The commentary that I have seen is that those private providers would like to have had an opportunity to tender on it, and they weren't given that opportunity.

Hon. Mr. Thomson: — I do appreciate the argument. It is certainly an argument I heard with both phases 1 and 2. And again what we hear with CommunityNet III there has been a persistent argument from different companies, but nevertheless other companies within the IT communities, believing that we should have not gone with a sole-source model or anchor kind of model using SaskTel which of course is a government-owned entity, and instead should have undertaken a broader

partnership with the private sector. That is not the model that we opted with in either of the other two networks.

And our belief was as we continue to push forward with a greater broadband expansion that we would continue to use the model that exists. It is an issue of debate — I understand that — but those are the reasons we undertook it this way.

Mr. D'Autremont: — Thank you, Mr. Minister. To go to vote IT04 we're looking at salaries that are paid in recovery or paid initially by the department . . . or no, by ITO and recovered from the departments. You're looking at a significant salary increase in that area. And in 2006 it was 11 million, and in 2007-08 it's 14 million. Can you explain the growth in those numbers?

Hon. Mr. Thomson: — Can I ask Mr. Antunes to answer this?

Mr. Antunes: — Yes, it's primarily just the fact that we've added more departments into the partnership, and their staff transferred into the ITO. So I think in one of the restatements at the back we show that there's a transfer of 33 people from the Department of Justice, Corrections and Public Safety, and Environment into the ITO. There's that as well as cost increases associated with the collective bargaining agreement.

Mr. D'Autremont: — And the same with the suppliers, it's an increase of $9 million from 21 to 30 which is almost a one third increase.

Mr. Antunes: — It's primarily related to the additional workload associated with bringing more departments into the partnership.

Mr. D'Autremont: — Is this the equipment that the departments already had or did ITO have to acquire new equipment to provide those services?

Mr. Antunes: — No, this would be to acquire either equipment, or if we had to hire contractors or different, you know, different other supplier and other payments to deliver IT services. So it's not the existing equipment that they have.

Mr. D'Autremont: — So ITO then spent an additional $30 million in acquiring new equipment to service what was an additional three departments?

Mr. Antunes: — Well no. I think the increase is about $9 million to service those additional clients. So this would be . . . You know, they have software licences. We'll say Microsoft or Oracle or we have to, if we're going to lease computers from IBM [International Business Machines Corporation] or Lenovo, then we would, those costs would be incurred by the ITO and we would charge those back. So the fact we've got those additional users — and I think between the two departments I think there's close to 5,000 users that are joining the ITO — so it's providing those services to those clients that relates to the increased cost.

Hon. Mr. Thomson: — I think it's worth noting that bringing in Justice and CPS [Corrections and Public Safety] was a fairly significant undertaking because both departments were in fairly significant need of upgraded equipment and also had a large

number of seats that needed to be brought in. So that is yes, when you talk about it being three departments I think we also need to remember they're three fairly large ones.

Mr. D'Autremont: — Thank you. One of the issues that's always a concern when you bring new departments in — you mentioned Justice and don't recall just what the other two were — is the security of the information that's available through the Internet and available from their own records, digital records, etc. How proactive rather than reactive is ITO in ensuring that security is in place and to deal with the potential threats to that security and to breaches of that security? And I know we talked about that a bit last time as well.

Mr. Norton: — So prior to even departments making any decision to come forward, we are doing what we call due diligences or assessments. And at that time we identify, you know, critical data, critical pieces of data, and the policies surrounding that that are in place. Through integration each of those are taken into consideration before they're integrated into our environment and are not integrated until we can assure that security is there as it was before.

Mr. D'Autremont: — What does the department do to track security threats across the world? Because obviously a threat can come from anybody that has a computer, no matter where they are in the world. So what does the department do to track and ensure that there are no new viruses, no new threats out there that we may not have seen here so we aren't in a position to react to that threat but that we need to be in place, to have a knowledge in place, to be able to counteract the threat before it actually enters into our domain?

Mr. Norton: — Yes, we belong to an international group called CSIRT [computer security incident response team] that monitors the global environment and provides updates and issues and makes us aware of those as they come forward.

Mr. D'Autremont: — How extensive is that system that you use to pursue that? Whoever you are working with, are they pursuing knowledge around the world? Are they tracking all the potential threats that might be out there and ensuring that ITO and its services are in a position to be able to react to those?

Mr. Norton: — Absolutely. Like on every hour of every day we get notified if there are security alerts. We immediately take those alerts and assess them, how they impact our environment, how we would be able to react to them, or if we actually need to react to them as some will not pertain to us.

Mr. D'Autremont: — Those security alerts, are those alerts on your system that would be triggering for you that there is an event happening? Or are these security alerts from some other entity across the globe?

Mr. Norton: — It would be a mixture of both. We have alerts that come out globally from vendors, from CSIRT, from security groups, that come to us as well as from virus providers. We also have our own ways of detecting those — maybe our internal virus protection, our intrusion detection systems, some of the logging on our firewall.

Mr. D'Autremont: — With the threat to everyone's computer

these days — in fact is just last night I noticed on my own that my virus checker had picked up a Trojan and had blocked it from coming into my system, but nevertheless that it had been there — if your systems don't pick them up before they access, have you had any breaches that have occurred with a new virus or a new Trojan of some kind that has breached your security to some measure or other?

Mr. Norton: — I guess how you define breach. Through the email system we clean out probably 80 per cent of the viruses. And any time a thing is cleaned out through that email system alone, we then have other systems that are scanning for viruses, be they our intrusion detection system; we have virus protection on the desktop as well. Will some make it as far as the desktop and get caught at that point? Yes, you know, on occasion they do. Typically they're all caught at another level of security though. No, far as an outbreak or anything like that we have had in any time lately.

Mr. D'Autremont: — When you use the term lately, how lately do you mean?

Mr. Norton: — Government had an issue with a virus outbreak, it was in 2003 or 2002.

Mr. Murray: — 2001-2002 was the last major outbreak that government experienced from a virus threat.

Mr. D'Autremont: — Thank you. I think that's far enough down the road that hopefully if that's the last breach that you've had, that your security is at least catching most of the major ones. And you may have small ones that haven't caused a problem in your system.

I know that we had talked the last time about physical security at your plants to ensure that it's not a problem with personnel.

Have you had any problems with individuals though who have entered into a site — not necessarily ITO, but a department site — where they've been able to gain information or access to security systems, where they may have been able to sit down at a workstation someplace and access it, or have observed an employee that may have been utilizing their security measures to be able to circumvent the procedures that are in place within a department which would not necessarily be caught by ITO because they would have the proper passwords, etc.?

Hon. Mr. Thomson: — This is a very good question you ask. It is somewhat complicated to answer because it obviously depends on the management that's in place in each of the departments. As the auditor has reviewed some of the issues that have come out of other departments about inappropriate or incomplete controls, these are issues we always need to be mindful of. I'm not sure that I have with me today information about any particular breaches, but these would largely be management issues within each of the departments.

Mr. D'Autremont: — What kind of training measures does ITO take with the departments to ensure that the managers and therefore the employees within those departments are aware of the potential hazards of allowing either other employees or people who are in the offices for legitimate reasons from seeing the security measures that are in place and the security

procedures that that department takes to ensure that their information is protected?

Hon. Mr. Thomson: — Perhaps Mr. Murray can elaborate on this.

Mr. Murray: — The ITO sent out a memo six weeks ago. We've asked each of the departments to name a departmental security officer. We held our first departmental security officer meeting last week on April 25. We're quite pleased that every department has named a security officer and that every department was represented at the meeting.

And we sort of kicked off our initial round of liaison with the departments at that meeting. We've laid out departmental responsibilities versus ITO responsibilities when it comes to security. And we have talked about future planning and future training for those individuals who will then go back to their departments and be better educated and more skilled in their security responsibilities.

Mr. D'Autremont: — Okay, thank you. Because if the departments name a security officer for ITO services or for their IT sector, I guess my question there is: what are the qualifications of those people? Do they have proper IT security training in place? It's one thing to name a manager to be that officer, but if that manager hasn't worked in IT services or isn't aware of the implications of IT security, they may have a fairly steep learning curve in place. So what would the qualifications of the security officers be?

Mr. Murray: — I think firstly it's worth noting that these are not IT responsibilities. These are a wider range of responsibilities that cover financial responsibilities, freedom of information responsibilities, physical security responsibilities. The most technical they may ever get would be, you know, knowing that there's a restriction on password lengths and that passwords have to be changed on a regular basis, and that you don't put a password on a sticky tab and put it on to your monitor as many people do.

And so they're not technical people by any stretch. They're really business people from the departments with responsibility for financial systems and responsibility for business programs that need to have a better understanding of their security responsibilities as a department. The ITO has a full set of security policies, guidelines, and standards that cover the technical side. These are really business-related security issues.

Mr. D'Autremont: — Well I would think that it would be important for the IT services within the departments to have a personnel that were familiar with the needs for IT security and how to ensure that that is being enforced. I mean it's pretty simple, or it should be pretty basic to understand that when you have a system that it's important to change the password from "admin" to some other security. But if the person who is in charge is not IT literate, they may not be aware that that's an ongoing need. So is there someone — a deputy to this department, security officer, or someone who is cognizant of IT and IT security that would work with them to ensure that the employees that are working with IT within that department are constantly made aware of any IT security concerns and threats?

Mr. Murray: — I think it's probably worth noting that that would be us. We work with the departments through a variety of mechanisms. We've got information technology management committees in place in each department and so this isn't just one person out there alone. But it is one person who is assigned the responsibility to take a lead role within the department for security.

Our policies are very strict and very thorough but many of those policies are actually forced on the department. So your password must be changed every 30 days and you have no choice in the matter. And it will tell you if you don't meet the right guidelines or it's not the right length or you haven't put enough characters into it.

I would stress again that these really are more security issues related to business function within a department but there are a variety of ITO-provided support mechanisms to help them along to meet their goals.

Mr. D'Autremont: — Well I'm concerned at this point more about the physical security. What you're talking about is a software program that pops up — you need to change your password every 30 days, so at day 29 it reminds you, you need to change your password.

But within the department, the location of monitors, who can see your screens, the sticky on the side of your monitor with your password on it, and those kind of things — so that each employee is aware that IT security as a real and a necessary awareness is needed of that and to follow through and comprehend that the failure to do so may compromise files that should not be compromised.

Hon. Mr. Thomson: — This is certainly a major concern and one of the issues that we stress with managers throughout the system. Again it is not directly related to the ITO but really is about the responsible functioning of any department and is an important part of both what we have learned through the security and privacy reviews, and also through our ongoing work to improve the financial administration of the government.

The responsibility to protect the information of citizens that is collected by government and handled by government is that of the departments who collect it. And the ITO provides guidelines, provides an overview as to how those criteria should be applied.

But the actual physical security is the responsibility of the individual managers, and I would argue the individual civil servants who handle it. And this is something that we need to continue to stress to members. It was one of the major issues coming out of the Deloitte Touche review and remains a significant issue as we continue to work with departments on financial administration.

So the member's concerns I think are quite well-founded. They are concerns that we continue to stress both through ITO. I can tell you we deal with it through Finance. PSC [Public Service Commission] is interested, as is Justice, in terms of how we handle information. So again it really comes down to the front-line staff to make sure that they are conscious of how they handle the information.

Mr. D'Autremont: — So these department security officers, are they meeting with those front-line employees to make those employees aware and conscious on an ongoing basis of the need to maintain IT security?

Hon. Mr. Thomson: — These are generally senior level people that will work with managers and supervisors to make sure that the policies are adhered to. It's very much as we expect them to deal with the financial administration matters and basic protection of privacy issues. But this is another area where we have simply added on another layer of security.

Mr. D'Autremont: — Are there regular meetings with the front-line staff, with their supervisors, someone familiar with IT security, to make them aware of the things to be watchful of and to remind them on an ongoing basis of that awareness?

Hon. Mr. Thomson: — It is one of the reasons we've undertaken the project as, and the program as we've outlined it here today, is to make sure it continues to be emphasized within the departments — that this is not simply a responsibility of the ITO. This is a responsibility of individual managers, individual supervisors, individual employees.

I can't stress enough the importance of each individual employee remembering that the data they're handling, the information they're handling is collected — often compelled to be collected — from an individual and absolutely must be treated in a way that respects that.

And so we, from the ITO perspective, want to make sure that we continue to remind people it is important to change your passwords. You have to do it. It is important to pay attention to how the security systems work, not to go about setting up hotmail accounts and other things that allow for information to easily move one way or the other. These policies are in place for a reason and that's part of what this is to do.

But again we do rely in a decentralized model of administration on the front-line supervisors and managers, and this is one of the added areas of contact.

Mr. D'Autremont: — Thank you. What does ITO do to protect against keystroke monitors and monitor readers?

Mr. Norton: — In and through our virus protection there are different layers of protection that, you know, don't allow those into our environment as well as our monitoring — as far as intrusion detection, firewalls — that if they ever did happen to get established, it would be quickly detected, and we would remove it.

Mr. D'Autremont: — How about the use though of wireless keyboards and — I don't think there's wireless monitors, but there might be; I'm not aware of them if they are but — particularly wireless keyboards and wireless mice, is there security in place to ensure that that kind of information isn't being picked up through some means?

Mr. Norton: — Yes. To pick up for a wireless keyboard it would have to be extremely close for someone to do that, so basically through your regular physical security we're protected from that. Obviously maybe in a client environment it could

occur, but not likely.

Mr. D'Autremont: — Physical barriers such as a wall would protect from the loss of wireless, through a wireless keyboard being able to read the keyboard?

Mr. Norton: — Yes. And most wireless keyboards and mice only project not even 6 feet because of you'd be interfering with the person beside you with the wireless keyboard or mouse or the next one. So again, it's a very contained transmission.

Mr. D'Autremont: — How about with the monitor readers though, with the radio emissions that they have from those monitors? I know in the past this was . . . I'm not sure how much radio frequency they put out but in the past in England the BBC [British Broadcasting Corporation] used to drive around and monitor who had TVs in their house with their licences simply by reading the readouts from the screens. And I don't know what kind of information they could pick up off from that, but they knew whether or not you had a TV in that house, and they could check to see whether you had licensed it or not. So what about information that could be picked up from monitors?

Mr. Norton: — We now deploy LCDs [liquid crystal display] which is the flat panel type of monitor, which eliminates that issue.

Mr. D'Autremont: — Thank you. So all of the departments have now switched over then to the LCDs so that the old CRTs [cathode ray tube] are not a problem?

Mr. Norton: — Not completely, but we will probably after this year pretty much be refreshed through all of them.

Hon. Mr. Thomson: — This is an important part of the work that has been done through the consolidation is to move it to a standard, not only of service and not only of policy, but actually too of equipment. And for example, the contract we've signed with the Lenovo allows for all laptop computers to be deployed with fingerprint readers. This is just an added step of security and it takes away from the ability for departments to deprioritize IT security as a spending centre to deal with other issues. We simply are going to require that all equipment be up to a standard and be refreshed and be renewed on a regular basis and that really is one of the biggest benefits of the consolidation approach.

Mr. D'Autremont: — Okay, thank you. I note that your FTEs [full-time equivalent] have increased by two personnel. What are those two additional personnel for?

Mr. Antunes: — Yes, as part of the consolidation initiatives there was two staff that were transferred from other departments. One staff came from the Department of the Environment, and one person came from the Department of Justice. So there would have been a corresponding reduction in their FTE counter.

Mr. D'Autremont: — Okay, thank you. The personnel that came from Environment and Justice, there still remains IT personnel though within Environment and Justice that would be working for those departments and doing the work in those

departments. They're not all transferred. All the IT people haven't been transferred to ITO.

Mr. Antunes: — All the IT people are transferred to the ITO.

Mr. D'Autremont: — So there was only one person in each department?

Mr. Antunes: — The one person in each department is a restatement because they're coming over to do different . . . They're not restated because they're coming over to do different duties, so they show up as an increase in our budget. The other FTEs that are coming across, they're shown at the back of the estimates document as a restatement. So as I said earlier I think there's 19 people from Environment and 14 people from Justice that are moving across into the ITO but they're included in the, I guess the restated or the . . . They took the last year's number and increased it by those 33 people and that's what you're comparing it to. So they were also transferred into the ITO.

Mr. D'Autremont: — Okay. For the coming year, '07-08, is there 219 people working in ITO? Or the additional 19 people that are coming from, or 33 people, I guess, from Environment and Justice, where will they show up? Will they show up in Environment and Justice?

Mr. Antunes: — No, they're included in that 219 total.

Mr. D'Autremont: — Thank you. So the 217 for the previous year, '06-07, would include that 33 as well as a restatement?

Mr. Antunes: — That's correct. That number's been adjusted.

Mr. D'Autremont: — Okay. You've had a significant — significant for ITO — drop in the IT coordination and transformation initiatives which represents $600,000. Is this that your projects with the other departments have moved ahead or what's the reasons for that?

Mr. Antunes: — The biggest rationale for that is that as the IT consolidation initiative is completed — we had some funding that was allocated to help those departments with the consolidation initiatives — so now that that project is nearing completion, that funding is no longer required. So it's been removed. So that's the biggest reason for the decrease.

Mr. D'Autremont: — Thank you. Your major capital acquisitions, you had 250,000 last year and 250,000 this year. What particularly are those capital acquisitions that you're budgeting for?

Mr. Antunes: — So last year we purchased was a disk-based backup system that will allow us to do faster backups and condense our backup windows so it wasn't taking as long. So that's what we purchased last year. At the present time we've got $250,000 allocated. We haven't determined what equipment it is that we'll buy. We kind of look at equipment as we buy it and determine whether we should buy it or lease it. If we determine that the most cost-effective approach is to buy it, then we've got the capital budget to be able to buy it. We have to go back to Treasury Board and identify what it is that we're going to buy and get approval to buy that equipment.

Mr. D'Autremont: — So you have $250,000 budgeted but you're not sure what you want to buy. You think you may buy something, but you don't know.

Mr. Antunes: — We're not sure if we're going to lease it or if we're going to buy it. So as we go through the year and we buy equipment or we make decisions on what equipment we're going to buy, we'll determine kind of an individual basis whether it's most effective to lease it or buy it. If we need to buy it, then we have the capital vote. If we lease it, then it just becomes an operating expense and gets charged back to the departments.

Mr. D'Autremont: — I'm surprised the Minister of Finance allows you to budget money to purchase something without having anything in mind yet — particularly what you want to purchase. I wonder if the Minister Responsible for ITO can explain how he convinced the Minister of Finance to allow that to happen?

Hon. Mr. Thomson: — It turns out the minister of IT is a persuasive fellow and the Minister of Finance a benevolent one.

Mr. D'Autremont: — No but I do find that surprising that you wouldn't have in mind, you know, what your project is and clearly something designated that we need to change here and it's going to cost us X number of dollars to, you know, put up five new servers versus the rental of it.

Mr. Antunes: — Yes. It's typically related to consolidating the services. So it's typically something large like a large network equipment, like a large network switch or like the disk-based backup system that we bought last year. So it's something typically a big piece of equipment like that is what it would be. So it would be related to the consolidation initiative as we go through.

Hon. Mr. Thomson: — So part of the difficulties as we're dealing with other agencies coming in is we don't always have a particularly clear idea as to what the — I don't want to say the intricacies — but essentially some of the detail of how to integrate the system, and this allows us that flexibility to do it. Sometimes what our understanding is as we're going through the consolidation is not always what it ends up being. So this is, we believe, a reasonable allocation. Obviously it's not a particularly large one and if it's underused it simply reverts back to the GRF [General Revenue Fund].

Mr. D'Autremont: — Thank you. Which departments, and I think there're only one or two that have not yet come under the ITO wing, one of those being the Department of Health I believe. But is there any other department besides the Department of Health?

Hon. Mr. Thomson: — The Department of Labour and Sask Property Management, or Department of Property Management, I guess, as what we call them now.

Mr. D'Autremont: — Well SPM would have a large number of physical assets to track, but their budget is relatively small in comparison to certainly the Department of Health. And the information needs of the Department of Health, I think, would be very unique in government. The only one that may come

close to that would be Corrections or Education. Are you close to making any arrangements with either one of those or any of the three departments?

Hon. Mr. Thomson: — Both the Department of Labour and Property Management will be integrated by the end of June. Health, I'm advised is going to, for obvious reasons, take some more time to work through.

Mr. D'Autremont: — What's your projections then for needs or what kind of employees is there in Labour? What kind of employees in SPMC [Saskatchewan Property Management Corporation] that may be coming over to ITO? What numbers would be there? And what kind of physical needs do you anticipate with Labour and SPM?

Mr. Antunes: — So off the top of my head I think the numbers at Labour, I think there's only about four or five in terms of IT staff. And at SPM, I think, the number is 14 or 15, I believe. And in terms of the dollars spent, I think Labour is about $700,000 is kind of their rough estimate of what their IT spending is. And I don't recall what the number is for SPM but . . . [inaudible interjection] . . . Yes, $2.5 million.

Mr. D'Autremont: — Yes, SPM would be more of a parts system, tracking property, tracking equipment that they would provide services to government basically.

Mr. Antunes: — Well we would provide them the same IT services we would provide to all our clients — all the desktop support, managing their applications, the network management, communications, servers, all of those types of services. So each department has their own unique custom applications that they would still continue to have. We would support those applications for them.

Mr. D'Autremont: — So what kind of work would you have to do with SPM to support their customized software for the tracking of equipment and supplies? Does ITO provide that service for the other departments as well?

Mr. Antunes: — So we would take over their IT employees, so initially those IT employees would still be able to provide those services. And then over time we would have other people that we could fill in to, you know, provide redundancy and that type of thing if somebody left. And we'd have other people trained up to be able to also provide backup if there was for some reason somebody wasn't available.

Mr. Wincherauk: — One of the real benefits from integration is that in the past you'll have one individual who's an expert on a certain application and there's nobody to back him up. Now when we bring them across to our organization we can cross-train people so that there are several people who will understand that application. Where in the past it was just one person and if that person was sick or left, that department would have some significant problems. And we've now managed to put government in a position where we're not dependent on one or two individuals.

Mr. D'Autremont: — That's always a problem when you have customized applications — that when the person who customizes it isn't there or leaves, nobody else understands the

system. So in SPM, are they using a customized application currently for the tracking of their supplies and their properties or are they using a application that is similar to what is being used by some of the other departments in tracking their resources?

Mr. Antunes: — Yes, I'm told that it's a commercial, off-the-shelf product. So it's something that they've purchased, the vendor manufactures and they've purchased it.

Mr. D'Autremont: — Okay. Thank you. So that makes it fairly simple for a transfer to take place then, because even though they may have a customized application, the base coding is familiar to anyone who works with that program.

In dealing with the Department of Health in their possible transfer, what are the problems that you foresee in trying to bring them on-board with ITO? And what kind of a timeframe are we looking at? Are we looking at within the next year to 18 months or are we looking at some greater distance down the road?

Mr. Wincherauk: — We've done an extensive due diligence on Health already, and there's a lot of similarities and commonality between our systems and their systems.

I think what makes Health slightly unique is its relationship with the health districts and also the role it plays with the federal government and the amount of money that is channelled through Health on some of those large application development, and you've just got to very careful that you don't disrupt that or maybe take it in the wrong direction. And so we have sit and look at this one in a lot more detail than we have in some of the other departments. I think we are targeted to go back to them probably in September.

Mr. D'Autremont: — When you're dealing with the Department of Health . . . and you've mentioned the necessity to deal with the districts, and they have a number of points of access throughout their acute care facilities, their long-term care facilities, their central offices. There's also the doctors' offices. And what access do they currently have to information on the health care network, tracking of surgery time, for the tracking of appointments — you know, for surgeries, for diagnostics. Are those tied into the Health IT network as well?

Mr. Wincherauk: — No, those aren't, you know. But through HISC [health information solution centre], there's a special relationship with the health districts, and we just have to be very conscious of what that is and fully understand it. We've always thought that Health was a very unique department in this sense.

Mr. D'Autremont: — Well certainly I would agree with you that it is because it's dealing with extremely sensitive personal information. And it's also their access points are so widespread. It's not like it's all of one central location. Certainly Department of Health has a main office body, but every health district and a number of other offices as well have access through the IT system to the informations and needs to be secure.

Do you know if the districts themselves are running

applications that are compatible . . . Well obviously they're compatible, but are they comparable? Are they the same program that Department of Health is running so that in integration, once you make a decision on how to integrate with Health, that that integration would go smoothly because within their own systems they're already fully integrated?

Hon. Mr. Thomson: — I think the simple answer is, I wish. This will be, this will I believe be a significant issue we're going to need to work through with the districts. The districts as we've seen consolidation within them, there are a number of issues, then as we deal with their relationship with the Department of Health, another set of issues as it relates to them. Integrating into a provincial system, there's another set of issues.

This is going to be a very complex set of arrangements. And I suspect part of what we will need to work closely with not only the existing department on, but the districts, is to discern very clearly what standards they need to meet, what we need to upgrade, what we need to integrate, what we need to simply replace, and what we should very clearly just leave alone. And this is a . . . Health, because it's an early adopter of technology, is as a result, I think, a fairly complicated set of systems that work together. There is no doubt this will be one of the most challenging projects we undertake.

Mr. D'Autremont: — Thank you, Mr. Minister. When you use the word complex, there's another word that comes in mind that has the last two letters of that word, and it's expensive. And so in your reviews you say you're starting to seriously look at that, probably in September. What kind of costs are you looking at for a transfer of Health IT services to ITO?

Hon. Mr. Thomson: — I think the big issue is . . . It should be fairly easy to move the Department of Health into the partnership. The issue that continues to need to be managed is the relationship with the districts, and that discussion will need to continue. It's hard at this point to project what that cost would be in terms of those changes that may come as a result of it. And this is a discussion that obviously goes back to the original set-up of SHIN [Saskatchewan Health Information Network], I guess, almost a decade ago. So this is a longstanding set of issues, and there's a lot of questions about autonomy and responsibility and who is actually going to control these issues. So this will be a very good project for the teams to work together on, and I have the utmost confidence that it will be accomplished with great dispatch.

Mr. D'Autremont: — Well if it's so complicated, I'm not sure about the dispatch part because, as you say, you're dealing with liabilities; you're dealing with the responsibilities; you're dealing with who has control and that seems to, in some cases, be more of a barrier than actually money to achieve some of these goals.

Within the health districts, are they fully integrated now into the system that the Department of Health is utilizing?

Hon. Mr. Thomson: — I don't know that we have that level of information available. The discussions really are still moving forward at the Department of Health, so we wouldn't have the people able to answer that.

Health officials, when they appear, may be able to answer that under their estimates as to how the system currently works, but unfortunately we don't have the intelligence at this point to answer that.

Mr. D'Autremont: — You may not have this information either then. Doctors' files — now what they have physically in their office is their property or the property of their client, their patient. But the files that they would have with the districts, what kind of a complication is that going to add to the system? Because obviously patient files will also be held by the districts because they can communicate back and forth from office A to office B in relationship to a client's file. So with the doctors feeling that they have ownership of the file on that patient, what kind of a complication does that put into building a system with the districts?

Hon. Mr. Thomson: — The health information protection of privacy Act that we have in place is fairly helpful in terms of being able to set some of the parameters about how data is handled and recognizing of course the ownership of the file really rests with the patient and their doctor. What we need to . . . The technical transfer is in many ways less of an issue than the question of storage and how . . . and utilization. And these are larger policy, policy areas. Just let me conclude with that, and I'll pick up my train of thought once it comes back to me.

Mr. D'Autremont: — Yes, the older you get, that happens more often, Mr. Minister. I think obviously if there is a $5 million saving per year with the departments that have already been brought into this service, what kind of a savings are you projecting for bringing in Labour and SPM here in the next, next month? And what kind of a savings would you be projecting for the Department of Health at some point down the road?

Hon. Mr. Thomson: — One of the benefits of bringing organizations into the partnership is they're able to, we're able to redeploy some of the savings into other new . . . In this case with Labour or SPM a client-based services or in the case of Health, patient-based services.

The point I was going to make earlier is that in the budget of the Department of Health, this year we've provided $3 million in new funding for them to undertake a better electronic transfer of diagnostic imaging between the hospital setting and the local doctors' offices. This technology, I have to say, in terms of Health I am amazed at how quickly it moves forward with new applications that allow for better dissemination of information both between doctors and among doctors and specialist teams, but also back to patients.

So this will be an area where we expect the savings in Health to largely be able to be redirected to enhancements. To quantify the dollar value at this point, we're not able to do that until we really have a better understanding of what the actual parameters are. The Department of Health coming in itself, we could probably project on a per-seat basis as to what the saving would be. But the real benefit is, as the network start to move forward, as we tackle some of the other issues around governance and these matters, that they may well provide additional savings that can be redeployed.

Mr. D'Autremont: — One of the issues that I had raised at a previous meeting was the recovery times for disaster recoveries. And there was a need for agreements with the departments to have an understanding in place what those recovery times were going to be, based on the disaster that occurred. What kind of agreements do you have in place now? What kind of time frames are you looking at for more of a localized disaster versus a system-wide?

Mr. Norton: — Again localized disasters, the recovery time can be, you know, minutes to a half-hour to hours. The seven-day one that you had talked about problems with before is a major disaster, like taking out the whole data centre including the equipment, and that type of an outage.

Mr. D'Autremont: — So you're still at that seven days for recovery for a catastrophe?

Mr. Norton: — Absolutely yes. If our building where our current data centre is . . . Or basically it would have to be most of Regina because we have another data centre within Regina, our time would be seven days to get core services back up.

Mr. D'Autremont: — If one of your sites was taken down — you know, major power failure, transformer fire in your buildings sort of thing where physically the plant is no longer available to you, or a major pulse like a transformer blowing up and you get an EPM [electric pulse motor] pulse — what about your other site? That's someplace in the province. You say on the other side of Regina or whatever. How long would it take for recovery to occur in that situation?

Mr. Norton: — So the incidents you've mentioned would not effect our data centre. Our data centre has had a transformer in that entire area go down. We have diesel generators that would last for 75 days, I believe, before we'd have to fill the fuel up. So that type of an outage would not affect us in our current data centre.

Mr. D'Autremont: — Okay thank you. Obviously if you've got a tank that big, you got it at the cheap price for the diesel fuel.

Mr. Norton: — It's underground, and it supplies the entire building.

Mr. D'Autremont: — Okay thank you. What about the . . . I don't know where your locations are, so I don't know how close transformers may be, but something like a transformer impulse can destroy information on servers. There's no . . . Let's just do the hypothetical and say that that occurred. That particular data is not recoverable even if your diesels do run. How long would it take for the other site to pick up and provide access to the information?

Mr. Norton: — So again back to that one. I can't just necessarily assume that would . . . That would not happen. A spike could not come through to our systems. Again part of protection and availability is building other sites or protecting your site to the nth degree. Again there would be no way for a pulse to come into our building. With the equipment that buffers between our data centre and our equipment, it is all very clean power. As well as communication links being cut, our site

has multiple communication syncs, multiple loops, locations out at the university which was built for that redundancy from power, from tel, from all those areas.

Mr. D'Autremont: — Okay thank you. I think we've used up our time here now, so we'll carry this on, on another day. I'm not sure what we'll have for questions. We may be able to proceed without bringing the officials in, but we'll make that determination in the future. So I'd like to thank the minister and his officials for coming in today.

The Chair: — Thank you . . .

Hon. Mr. Thomson: — Thank you, Madam Chair. I too would like to thank the member for his questions and thank the officials for their help today.

The Chair: — And I'd like to thank Mr. D'Autremont for cutting himself off before I had to do so. Thank you, Mr. Minister Thomson, and your officials for appearing before the committee this afternoon. We'll have a five-minute recess, and then we'll resume with the Saskatchewan Property Management.

[The committee recessed for a period of time.]

General Revenue Fund
Property Management
Vote 13

Subvote (PM01)

The Chair: — Welcome back, everyone, to Crown and Central Agencies Committee. We have one substitution. We have Mr. Huyghebaert — thank you — substituting for Ms. Harpauer. Before us this afternoon, we have the consideration of estimates for Saskatchewan Property Management. The minister responsible is Minister Eldon Lautermilch, and I'd invite you introduce your officials at this time.

Hon. Mr. Lautermilch: — Madam Chair, thank you, and I would like to say it's good to be back for another round of estimates, to continue those estimates for the Department of Saskatchewan Property Management.

I have my officials with me again, and those officials are: to my left, Ms. Deb McDonald, who's the deputy minister; to her left is Garth Rusconi, who is the assistant deputy minister of accommodation services; to my right is Mr. Donald Koop, the assistant deputy minister of commercial services division; behind us are Mr. Phil Lambert, who is the assistant deputy minister of information technology — just give a little wave; Ms. Debbie Koshman, who's the assistant deputy minister of corporate support services; and Mr. Chris Oleson, who is the director of executive air services. And along with them is Ms. Shelley Reddekopp, who is director of financial services.

We have appeared before the committee previous to this date. We spoke about some of the properties that are the responsibility of the Department of Property Management. We had, I think, some discussions of budget and budget allocations, and we talked a little bit about the future vision for the corporation. But I think it would be appropriate at this point to

open the floor to members for their questions and hopefully the officials and I can, together, find some answers to those questions. Thank you.

The Chair: — Thank you very much. We have one document to table before the committee this afternoon. And moving right along to Saskatchewan Property Management then, vote 13, page 127. Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you, Madam Chair. At our last estimates, the chance we had to discuss SPM, I'd asked questions about the Department of Learning building and moving it, and if this is related to the tabled document I would just like to know if that's what the tabled document is. And I would like to have a chance to have a look at it before I pose any more questions related to that.

Hon. Mr. Lautermilch: — I believe, Mr. Huyghebaert, that's the line, these were the questions that you asked our last session. I just received them from the department today, and I think that's what your colleague will be passing to you as we speak.

Mr. Huyghebaert: — Okay. I'll have just a look at them in a few minutes, but I'll just start off with another issue that I have some questions on. And it has to do with the department's policy on entering into single-source contracts for services. And what is the department's policy on single-source contracts?

Hon. Mr. Lautermilch: — I'm going to ask my officials to respond in detail to that, but I can tell you that this administration has, I think, developed over a period of years as we've been government an open process that allows Saskatchewan businesses to be able to compete in a fair way for Saskatchewan government business. I think it's also fair to say that there are some thresholds where sole-sourcing is allowed to cut the costs and to expedite the quick purchase of those goods and services.

I think that it's happened over a period of time that we have evolved and developed a system here in the province that is far superior to what was in place when we inherited it. And the system that we inherited in 1991 . . . Obviously we're always looking for ways to improve our system to make it fairer and opener. We do have events during the course of the year where Saskatchewan business people are invited to attend, to learn more about the process that we use. So I think it works fairly well. Obviously there are times it doesn't work as well as we would like but for the most part the system is fair and it's balanced and allows access to Saskatchewan businesses here in our province. And so with that I would turn it over to Ms. McDonald.

Ms. McDonald: — I think, Mr. Huyghebaert, we need to know what sort of sole-sourcing you're speaking about, whether it's construction or whether it's services.

Mr. Huyghebaert: — I'll get to that. I just wanted to know what the policy was — if there's any set policy that you have on sole-sourcing in general terms. I will get into a specific one here momentarily, but I was just trying to establish what the policy is — if it's yes, if it's no, if it's when we feel like it. If this is good or if this . . . And how do you know if it's good? And I just

wanted to know if there's a general policy from SPM.

Ms. McDonald: — It varies with regard to what it is, whether it's construction or whether it's service, but there is sole-source opportunities.

Mr. Huyghebaert: — Does the department currently have single-source contracts that are substantial in nature?

Mr. Rusconi: — I guess the definition of substantial is . . . For example, consulting contracts where we have design work done for facilities or construction projects, we have a policy that allows us to single-source consulting contracts up to $100,000. We then have an invitational process, as then a public process, depending on the size of the project.

Construction is different. It's at a much smaller level. Similar type process, but at different numbers. Now that's speaking generally. Quite frankly, there's always exceptions to the rule. If time constraints are an issue or if location is an issue, so . . . but generally speaking, I think that the question that you're asking, there is those policies in place that we follow.

Mr. Huyghebaert: — Yes, that's just a general feeling for it. Because I think one of the issues that I have with sole-source contracting or single-source contracting is, how do we know we are getting the best price for the taxpayer if in fact we are sole-sourcing it? What determination does the department use to say, okay, we will sole-source this? The financial aspects of it? It's hard to suggest that it's, if it's a cost savings or what the rationale is for the sole-source contract.

Hon. Mr. Lautermilch: — I think, Madam Chair, that it's fair to say that the department very much relies on the marketplace to drive and determine the price, and that is done by a tendering process.

Mr. Rusconi has indicated a couple of areas where small amounts are sole-sourced on occasion, but I think the vast, vast majority of tenders that are put forward by this government, and the vast amount of procurement, is done through an open tendering process.

If Mr. Huyghebaert has a specific instance of a sole-source that he feels has been not in the best interests of the province, I'd be more than willing to hear about that. But I think we agree with him that a tendering process where there's competition for the most part is in the best interests of the Saskatchewan taxpayer. And that's why a small, small amount of tendering is sole-sourced and the vast majority is done through proposal calls or tendering, to open tendering process.

But I agree with the principle that if you're putting your purchases to the marketplace, the marketplace where there's competition will determine where the taxpayers get their best dollar.

Mr. Huyghebaert: — Is SPM considering entering into a deal with Honeywell Ltd. for HVAC [heating, ventilating and air conditioning] systems for government buildings?

Mr. Koop: — I believe you're making some reference to a recent, we call it an ACAN, advanced contract award notice,

that was listed under SaskTenders for parts for a Honeywell HVAC system. There were, I believe, four challenges raised to that ACAN. It has been cancelled and will be tendered in the usual fashion.

In discussions with one of the companies that did register an objection with us, we quickly realized that we hadn't properly worded the ACAN. It led the reader to believe that it was the, sort of all of the systems and the reality was we were only posting for parts. And the confusion was caused by us by the wording and we've cancelled the ACAN. It'll simply be tendered in the standard fashion. And we've talked to at least one of the suppliers and they're aware of that situation.

Mr. Huyghebaert: — Okay, thank you. That's where I was going with this because I do have some information from a company that was questioning the sole-source, proposed sole-source deal. And according to one of the companies, it was a very substantial contract and that's why I wanted to know what the policy was before I got into this. Because it would be easy to say, if it's X number of dollars or below, you sole-source it where this one again I was . . . My next question would've been the amount of this contract and what the price figure of this contract would've been. And I don't know if you want to reveal that now or not if it's going out for tender?

Mr. Koop: — Sorry I don't know the dollar value. I don't believe it's a large amount. But it is strictly for parts.

Mr. Huyghebaert: — Okay. And it has been cancelled, the ACAN, and it will be going to tender now.

Mr. Koop: — Yes the ACAN has been cancelled and it will be out for open tender.

Mr. Huyghebaert: — Okay.

The Chair: — Mr. D'Autremont.

Mr. D'Autremont: — Thank you, Madam Chair. Mr. Minister, and officials, welcome. We just had ITO in prior to you coming in. And we're talking about the changeover in SPM is going to become a part of the ITO contract-basis partnership in supplying ITO services. In looking at this — and I believe SPM will be moving, as of some point in time in June, over to ITO, the IT services — what kind of savings has SPM projected to be made by this kind of a move over to the ITO office for their IT services?

Ms. McDonald: — That's a little difficult for us to answer. We only received the due diligence report late last Friday afternoon so we unfortunately haven't had a chance to evaluate the report and look at the report and make our decisions at all.

Mr. D'Autremont: — In sitting down with the ITO office though in making this proposal or the agreement between them, between the two of you, surely though in the discussion there must have been a projection at some point in time as to the benefits to SPM of going with the ITO for the supply of IT services.

Ms. McDonald: — Well they've talked to us about the services that the ITO can offer. But us being a central service agency as

well, until recently we have sort of done a lot of what they did. I mean we had the GEMS [government electronic mail system] system and a lot of that stuff. So we really, in all honesty, we really don't know what the benefits are for us at this point in time. And until we can have the frank discussion with them . . . They came in; they interviewed our staff. They spoke with the staff and found out what our needs were, what our programming needs were, what we did. They went back and wrote the report based on that about what they could offer us, how they felt they could possibly provide, in some areas, better service or things like that.

But we just haven't, in just having the report . . . Well the meeting was last Friday afternoon at 3 o'clock in the afternoon, and we actually just got the draft report, I believe, on Monday. So we've only had it since Monday to look at.

Mr. D'Autremont: — Thank you. They expect to be taking you over here anytime, next month sometime.

Ms. McDonald: — You know in fairness to our department, we have to take a look; I don't know. And there's negotiations about what they expect to take over and what we think should go over there. So we're certainly, certainly going to be in negotiations with them yet but haven't started the negotiations.

Mr. D'Autremont: — Okay. Thank you for that. You mention that you supply central services. Were you supplying central services to someone — for IT services — to someone other than yourselves, or was this just all internally within SPM?

Ms. McDonald: — No, we were providing services to other people as well. We had all of the email services for government and some NGOs [non-governmental organization] and provided IT services for non-government organizations as well. And some health districts, we assisted with them. I can't remember everyone else who was in our client group.

Mr. D'Autremont: — So in a sense you're actually a competitor within government to the same services that ITO provides. So is this a friendly or a hostile takeover?

Ms. McDonald: — It's very much, it's very much friendly discussions. We just have to come to agreement on what we see as necessary with regard to the business to keep in our shop. And like for example the help desk, the help desk can very quickly and easily integrate into the ITO. But we have some specific building programs that we think are necessary to keep housed in our shop because they're building specific. The business attached to them is something that is really specific to our department.

Mr. D'Autremont: — Okay. Thank you. One of the concerns that I have raised with ITO and that the auditor has raised as well with ITO is their agreement that there be in place agreements for recovery, for security, for all of those kind of issues related to IT services. What kind of a relationship are you looking at — and this may be in the proposal that you have been presented here on Monday — for recovery times, for data loss? And obviously security is a big part of it and that's what ITO is providing.

But I'm concerned about the recovery times for data loss or loss

of service for recovery to ensure that the departments and the people that you're working with have access to the proper information in a timely fashion. So what does your department currently have in place for recovery procedures, and what are you looking for from SPM? Is it the same as what you currently have, or are you looking for an improved recovery service?

Ms. McDonald: — Well to blow our own horn a little bit, we have a very good IT service within ourselves. And I don't think we would want to look at any less level than what we have now with regard to security, with regard to downtime. And certainly we will be expecting the same in any sort of service level agreement that we enter into with the ITO.

Mr. D'Autremont: — What's your current standard for recoveries that you have internally?

Mr. Lambert: — In response to your question, we do have an IT security policy in place where we look at availability. We have a disaster recovery plan in place, as well as we have testing procedures so that, you know, we test our plans and ensure that we do have the right resources and the right facilities in place to meet our requirements.

In addition to that, we have recently installed a VOIP, a voice over Internet protocol, and we've had that installed when we moved into our new facility. And over the past year we've only had 10 minutes of downtime, which equates to five-nines reliability which is the same amount of reliability that the standard phone system has. So our networks are rock-solid.

Mr. D'Autremont: — Thank you. Within your policy or your plan, what kind of time frames are you looking at for a recovery time? If you have a local site go down, what kind of a time frame are you looking at — minutes to recover that? If you have a major catastrophe within your system, what is the maximum recovery downtime that you find acceptable?

Mr. Lambert: — Okay. As part of our disaster recovery plan, that is a multi-phased answer where we have certain . . . for our network availability that we respond within minutes to ensure that we have the network up and running. Should we have a disaster that would wipe out a building or we need evacuation of a building, those types of recoveries would be on a best effort to get back up for those types of facilities.

In addition we have done threat and risk assessments with each one of our applications. And there are certain applications that we require a quicker response time, and there are other applications that can wait longer. So we've worked with our business areas, and the plan that we have in place meets their business requirements.

Mr. D'Autremont: — Do you utilize multiple-site backup to ensure that the data that you have in place, the systems you have in place remain secure? Or at least if one site is unavailable, you have other sites that will pick up the service and carry on, so that if you have a catastrophe or a disaster at one site, that your system is recoverable very quickly? And if so, what kind of a time frame are you looking at for that kind of a recovery?

Talking with ITO — a massive catastrophe in their system —

they say they can recover within seven days. Seven days seems to be significant period of time, but we're talking major disaster as well, not that we get a lot of earthquakes here. But nevertheless, what is SPM's basic long-term recovery program in the sense of how many days would it take for your sites to be back up and running — not necessarily full — but for those that are most important, essential?

Mr. Lambert: — Our most critical application is our financial application, so we belong to the MIDAS [multi-informational database application system] system, and there is, you know, the Department of Finance has a recovery plan for that. So that's our most critical application that's being looked after. The remaining of our applications, we don't have a hot site where we can throw a switch and be up and running instantaneously.

Our plan states that we have other locations where, should our main site have a disaster, that we have another location that we can re-locate equipment. And we do have an agreement with vendors that we can acquire that equipment on fairly short notice. So should our building be totally disrupted by a disaster, we would well be within the seven days to recover at another site.

Mr. D'Autremont: — But you would be reliant then on the acquisition of new hardware to get a site up and running. You don't currently have a secondary site available to you.

Mr. Lambert: — That's correct. Other than our financial system which . . . we use MIDAS as our financial system, and that system does have another site that they can recover.

Mr. D'Autremont: — Okay. Well thank you, Mr. Minister, because I believe that ITO does have secondary sites available to them for their services so that would be an additional security level in place that your system currently would not have with the secondary site availability. So I guess we'll have to wait and see the next . . . once that transfer takes place, if it takes place, and find out what agreements you've come to and whether ITO's projection that they'll providing you with the services in June actually takes place or not. So I look forward to the next time that both ITO and yourselves are here to be able to answer those questions.

The Chair: — Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you again, Madam Chair. I'd like to get an update now on the exec air and the aircraft numbers in exec air, and I have a couple of questions related to that. But if I could start out with just asking the question about how many and the type of aircraft do we now have on inventory with SPM.

Mr. Koop: — Currently there's three aircraft owned with executive air. Two are considered to be operational, and the Cheyenne aircraft has been parked and will be decommissioned. We still own the aircraft. That's the main point I wanted to make, but it's not in service.

For air ambulance, we have three aircraft currently in service up in Saskatoon — two King Air 200s and a Cheyenne. We recently purchased two additional King Air 200 aircraft; however they are not yet commissioned. They are in the United States at the moment having the — if I can describe this right — the medical interiors fitted up for the aircraft.

So by that tally, there's I guess a total of eight aircraft at the moment, seven of which . . . sorry, eight aircraft, five of which are currently in service. There's two that we have not commissioned yet, but we do own the aircraft down in the States. And we have one aircraft that's owned but currently out of service here at exec air. So it's a rather long-winded answer.

Mr. Huyghebaert: — No, that's exactly what I wanted to know because my questions relate somewhat to that. The Cheyenne is to be decommissioned, and when will that be and what will be the disposal of that particular aircraft?

Mr. Koop: — Well the Cheyenne with executive air service has been decommissioned. We haven't determined the disposal process yet for that aircraft. We have received a request to make a donation of the aircraft. We have it under consideration but no decision as yet. Alternatively it may be sold off for parts, but not as a going concern as an aircraft.

Mr. Huyghebaert: — Now the two King Air 200s that have been purchased — and if I remember correctly they were purchased under the Department of Health and that was a question — at what point do they become property of Sask Property Management?

Ms. McDonald: — As soon as they are back in Canada and operating in the program, the Department of Health transfers the ownership to us.

Mr. Huyghebaert: — Okay thank you. And the purchase price of these . . . And I know you may not have that; that might be the Department of Health. But I understand there's $10 million that was set aside for the purchase of these aircraft. And my question relates to when it's turned over to SPM: is there knowledge as to whether life cycle spares come with the purchase of these aircraft? Or who picks up the costs for spares after they're turned over to SPM? Is it the Department of Health or is it SPM?

Ms. McDonald: — We're responsible for the operation and maintenance of the aircraft. Because of the programming attached to the aircraft if it . . . We have two-year warranty on . . . I'm understanding we have two-year warranty on parts and five-year on engines. But the basic maintenance and operation of the aircraft become the responsibility of our department, SPM.

Mr. Huyghebaert: — So as far as you're concerned, you don't know then if the initial purchase price included the life cycle spares.

Ms. McDonald: — No, it did not.

Mr. Huyghebaert: — Okay thank you. Now when those two aircraft arrive back . . . and I don't know if we have a date for the arrival of these when they're turned over to SPM. Do you have a date on that?

Ms. McDonald: — Yes, we expect them in June.

Mr. Huyghebaert: — June?

Ms. McDonald: — Yes.

Mr. Huyghebaert: — Thank you. Now the current air ambulance fleet is three aircraft — which is two King Airs and the Cheyenne — and we're purchasing two new King Airs. At first blush that would mean we have five aircraft in the air ambulance fleet, and I'm sure that we're not going to keep five aircraft in the air ambulance fleet. What's going to be the disposition of the aircraft, and how many are we looking at retaining in the air ambulance fleet, and what are we doing with the other ones if in fact we are doing anything with them?

Ms. McDonald: — The Cheyenne will be sold, and the other, the oldest King Air 200, will come into the executive government fleet. So there will still be the three aircraft in air ambulance.

Mr. Huyghebaert: — Okay so there'll be three King Air 200s in air ambulance?

Ms. McDonald: — Yes.

Mr. Huyghebaert: — Now the other King Air that's currently in air ambulance is coming to the executive fleet. That would give us another aircraft, one more aircraft for the executive fleet?

Ms. McDonald: — It will make the fleet comparable to what it has now because we've decommissioned the Cheyenne. So we're actually down one aircraft in executive air.

Mr. Huyghebaert: — Now you mentioned the one aircraft that's currently with air ambulance is — I forget your term you used — high hours, that's coming to exec air. What kind of a life does that still have on it? Are we looking at purchasing another aircraft in the near future or leasing or whatever process? Or is this established now as three King Airs in basically in each fleet, and that's our limit? That's our goal?

Ms. McDonald: — That's our limit for certainly executive air. It will provide us the same sort of service as we have now. I can't speak for the Department of Health to see if they require one more aircraft for their programming needs, but certainly from the executive air side, we're fine with the three comparable aircraft of King Airs.

Mr. Huyghebaert: — Okay thank you very much. I don't have any more questions right now, but with the supper coming up tonight, maybe break a little bit early and I think we'll come back again. We may not need the officials when we come back again, so I'd like to thank the officials and the minister for their answers. And I'd like to thank them for providing me this because I just went through it when my colleague started asking questions, so I had a chance to read it, and I think it provided all the answers that I previously asked. So I'd like to thank the members for that.

The Chair: — Thank you very much. Minister Lautermilch.

Hon. Mr. Lautermilch: — For clarification, Madam Chair. I'm not sure of the process here. In terms of returning, Mr.

Huyghebaert, what did do you have in mind? My understanding was that we were to do SPM estimates until five o'clock, and I have other commitments after five — two of them as a matter of fact. And it was my understanding that we were going to adjourn these debates at five.

The Chair: — Apparently the opposition would like us to come back at another time.

Hon. Mr. Lautermilch: — Oh okay. Okay, that's fair enough. Ms. McDonald, I think she wanted to respond to Mr. Huyghebaert.

Ms. McDonald: — We're missing the response to one question. We just weren't able to get all the information together yet. As soon as we have that information together, Mr. Huyghebaert, we'll make sure it gets to the Chair and then gets to you.

Hon. Mr. Lautermilch: — Madam Chair, I just want to again thank my officials and thank members of the committee. Thank you.

The Chair: — Thank you very much, Minister Lautermilch, and thank you to your officials as well for appearing before the committee this afternoon and answering all the questions as well as you have.

So that brings us to the conclusion of the agenda for the Committee of Crown and Central Agencies today. Do I have a motion to adjourn? Mr. D'Autremont. Thank you very much. All those agreed? Carried. Thank you very much. This committee stands adjourned.

[The committee adjourned at 16:44.]